

Atlantic Richfield Company

\$QWKRQ\ L 5◀ L %URZQ
3URMHWL 0DQDJHJL 01QALQJ L

+ L &HQWHUSRQWHL 'ULYH L
/D L 3DOPDX L &\$ L L !! ↑ + T + ♪ !!
211LRH L L σ ↑ → □ L ↑ + +
)D[L L σ → ♪ + □ L ↑ + + →
(+ PDLO L \$QWKRQ\ L %URZQ#ES L FRPL L

9,\$L (+ 0\$, / L \$1' L), 567L &/66L 0\$, / L

6HSWPEHU L ♪ ← ⚭ L + !! ♪ → L

OV\ L -XOLH L 6XOOLYDQL DQGL OUK L *DU\ L 5LOH\ L

6)'+ → + + L

86(3\$ L 5HJLRQL L
→ ↑ L +DZAKRULQH L 6WUHHW L
6DQL)UDQFLVFRQ L &\$ L L + ♪ !! ↑ L

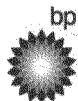
5(L 5HTXHWL IRU L \$SSURYDO L RI L)DOL + !! ♪ → L /\$6 L 2SHUDWLQW L DQGL L
+ !! ♪ → L <HDU (QG L 'HFRPPLWLRQLQJ L DQGL :LQWHL]DWLRQL 3DQL
/HYLDWKDQL 0LQH L
\$OSLCH L &RXQW M L &DOL IRUQD

'HDUL OV\ L 6XOOLYDQL DQGL OUK L 5LOH\ L

7KLV L CHWHL DGGUHWHL \$WODQWLFL 5LFKILHOG L &RPSDQ\ ∂V L σ \$WODQWLFL 5LFKILHOG L
CHFRPPLWLRQLQJ L DQGL ZLQWHL]DWLRQL RI L WKH L +LJKL 'HQMLW L 60XGJH L σ +'6 L 7UHDWPHQW L 6\WHP L
8QHUGDLQ L σ &8' L DQGL 'HODL 6HHS L σ '6 L FROOHFLRQL DQGL FRQMHDQFH L HTXLSPHW L DW L WKH L /H
σ VIWH L DW L WKH L HQG L RI L WKH L + !! ♪ → L WUHDWPHQW L VHDVRQ L 7KLV L CHWHL DORL VHUYH
DXAKRUL]DWLRQL WR L SHIRUP L RSHUDWLQV L DW L WKH L VIWH L GXULQJ L WKH L IDOOL SRUWLQ L RI L WKH L + !! ♪ -
6HDVRQL σ /\$6 L LQ L DFFRUGDQFH L ZLWK L 3DUDJUDSK L ↑ !! ◀ JL RI L WKH L \$GPLQLWUDALYH L 6WUHPHQW L \$JU
RQL &RQMHW L IRU L 5HPRYDO L \$FWLRQ L &(5&/ \$ L 'RFNHW L 1RK L + !! !! ← + + L σ WKH L ≥ \$2& ¥ □ ◀ L
DFWLYLWHL LQ L + !! ♪ → L ZLQ L EH L HWHQWLDO\ L WKH L VDPH L DV L WKRVH L SHIRUPHGL LQ L SUHYLRXV L NH
L
+ !! ♪ → L /\$6 L 2SHUDWLQV L

%DMHG L RQL WKH L VDPH L FRQMLGHUDWLQV L GHMFULEHG L LQ L + !! ♪ + ⚭ L \$WODQWLFL 5LFKILHOG L DQWLFL
RSHUDWL WKH L +'6 L 7UHDWPHQW L 6\WHP L DQGL WKH L &8' L DQGL '6 L FROOHFLRQL DQGL FRQMHDQFH L HTXLSPH
DSSUR[LFDWHL] 2FWAREHU L ♪ + ⚭ L + !! ♪ → ⚭ L DW L ZKLFK L SRQW L LW L ZLQ L EH L VKW GRZQ L WR L DOORZ L
FRQFXUHGW L ZLWK L V\QRSALFL WUHDPIORZ L PHDXUHFWQW L L L L
6HDVRQDO L 'HFRPPLWLRQLQJ L DQGL :LQWHL]DWLRQL

7KHL IROORZLQJ L VHFALRQV L SURYLGH L DL VXPDDU\ L RI L WKH L SODQQHG L CHFRPPLWLRQLQJ L DQGL Z
DFWLYLWHL IRU L WKH L +'6 L 7UHDWPHQW L 6\WHP L DQGL &8' L DQGL '6 L FROOHFLRQL DQGL FRQMHDQFH L HTX



5HTXHWL IRUL \$SSURYDOL /\$6L 2SHUDALRQV/L

6HSHPEHUL ¶ ← ☰ ↗ ↘ !! ¶ → ↙

3DJH ↗ ↘ RI ↗ ↘

L

+6L 7UHDWPHQW 6\WHP

&8'L DQGL '6L FROCHFLRQL DQGL FRQMHDQFH HTXLSPHQW RSHUDALRQV/L DQGL +6L 7UHDWPHQW
RSHUDALRQV/L DUH LWHQNDALYHO\ L VFHKGXCHG WR EH GLVFRQWLQXHG RQL RU DURXQGL 2FREHUL ¶ ↑ ☰ ↗
VXI ILFLHQW WLPHL IRUL LPSCHPRQWALRQL RI WKHL TLQDOL VXUIDPHL ZDHUL VDPSCH HYHQW DW WKHL HQG
FRQFXUHQW ZLWK VAGRSALFL WUHDPIORZL PHDXUHPHQW DWHUL VH-DVRQDO WUHDWPHQW HQGV/L WR F
FRQGLWLQV/L LQL 1RYHPEHUL ZKHQ WUHDWPHQW LV QRW EHLQJ FRQGXWHG L /DW \HDU L WKHL &8'L
DQGL FRQMHDQFH HTXLSPHQW RSHUDALRQV/L DQGL WKHL +6L 7UHDWPHQW 3DQW RSHUDALRQV/L ZHUH GLV
2FREHUL ¶ ↑ ☰ ↗ !! ¶ ↑ ☰ ↗ IROORZLQJ WUHDWPHQW RI WKHL ZDHUL FRQNDLQHG L LQ 3RQGL +
H[SHULHQFH ZLQWHL]DALRQL RI WKHL +6L 7UHDWPHQW 6\WHP ZLOO OLHO\ WDNL DL PLQLPXPL RI L
VFHKGXCHL SURMHFLRQL LV DSSUR[LFDWHL DQGL VXEHWL WR FDQJHL LQ WKHL HYHQW WKDW XQD
UHWWULFLRQV/L RU ZDHAKHUL UHDWKG SIRECHPV RFFXU

L

\$V LQ L !! ¶ ↑ ☰ ↗ VHDVRQDO GHRPPLWLRQLQJ DQGL ZLQWHL]DALRQL DFALYWLHV ZLOO EH SH
UHGXFL WKHL DPRQW RI LWPFL QHFMUDU L WR EHJLQ WUHDWPHQW DFALYWLHV LQ L !! ¶ ← ▲ L ,QL
SURWHRWHL WR WKHL HYHQW SRMELCHL WR DOORZL IRUL FRQNLQXHG XM L LQ WKHL VSULQJ L !! ¶ ↑
GHRPPLWLRQLQJ DFALYWLHV DUH DQNLFLSDWHL WR LQFOXGH L

x : HDWKHSURRI DOO HOHFWULFDO FRPSRQHQW LQFOXGLQJ FRQWROL SDQHOL DQGL PRARUV L

x : LQWHL]HL HOHFWULFDO JHQHWDURUV L

x : LQWHL]HL DOO LQWDOOHG WUHDWPHQW \WHP HTXLSPHQW L

x : UDLQ DOO WDQW DQGL SLSLQJ L

x : (PSW DQGL FOHDQ SRO\PHU DQGL OLPHL V\WHP L

x : 5HPRYHL ILQWHL ELQV FRQNDLQJ WUHDWPHQW JHQHWDWHL VROLG/ L

x : 5HPRYHL ILHOG RI ILFH WUDLOHUV WR SUHYHQW GDPDJHL TURPL ZLQG DQGL VQRZL ORDGV L

x : \$XJPHQW WRUHL VXSOLHV RI GU\ OLPHL DQGL GLHMOL IXHO\ WR IDFLOWDWHL HDU\ FRPPHQFT
DQGL WUHDWPHQW RSHUDALRQV LQ L !! ¶ ← L DQGL

x : /RFN DQGL VHFUXHL WKHL EXLOGLQJ L

&8'L DQGL '6L &ROCHFLRQL DQGL &RMHDQFH (TXLSPHQW

L

7KH &8'L DQGL '6L FROCHFLRQL DQGL FRQMHDQFH HTXLSPHQW ZLOO EH GHRPPLWLRQHG DQGL
FRQFXUHQW\ ZLWK WKHL +6L 7UHDWPHQW 6\WHP L \$FALYWLHV ZLOO LQFOXGH L

x : UDLQ LQXODWHL DQGL CRQ\ LQXODWHL &8'L DQGL '6L FRQMHDQFH OLQHV L

x : 5HPRYH FOHDQ L DQGL WRUHL VXEPMELCHL SXPSV TURPL WKHL &8' L '6L FROCHFLRQL WDQW
7DQ L

x : 2SHQ WKHL E\SDW\ YDOWL WR GLYHJW TORZL TURPL WKHL 86*6L ZHLU ER[L GLUHW\ WR /HYLD
E\SDWLQJ WKHL &8'L FROCHFLRQL WDQ L

5HTXHWWL IRU^L \$SSURYDO^L /\$6^L 2SHUDALRQV^L

6-HSWPEHU^L ¶ ← ☰ ⊥ ± !! ¶ → L

3DJH^L T^L RI^L T^L

x^L 2SHQL YDOMHV^L WR^L DOORZ^L '6^L IORZ^L WKURXJK^L WKH^L FROHFALRQ^L WDQN^L WR^L /HYLDWKDQL &UHHN L

x^L 'UDLQ^L DQG^L FODHQ^L WKH^L &8' ☰ ⊥ '6 ☰ ⊥ DQG^L '6^L 7UDQVTHUL &ROHFALRQ^L 7DQNV L DQG^L

x^L :LQWHULJH^L DQG^L VARUH^L LQ^L SODFH^L DOOL HOHFALRQ^L FRPSRQHQW^L LQFOXGLQ^L WKH^L &8' ☰ ⊥ '6 ☰ ⊥ &ROHFALRQ^L 7DQNL FRQWUROL SDQHOV^L CHYH^L LQGLFDWRUV^L PDJQHWF^L IORZ^L PHWHU^L DQG^L PRW

L L

7KH^L QHZ\ L FRQWUUXFWHG^L 8SSHU^L 3RQGV^L FRQMH\ DQFH^L V\WHP^L ZLOO^L EH^L VPLODUO\ L GUDLQHG^L DQG

L

\$MDDQWLFL 5LFKILHOG^L ZRXOG^L DSSUHFDWHL UHFLYLQJ^L (3\$ 2VL UHMSRQH^L WR^L RXU^L UHTXHWWL IRU^L SHIRUP^L RSHUDALRQV^L DW^L WKH^L VLWHL GXULQJ^L WKH^L IDOOL SRUHLRQ^L RI^L WKH^L ± !! ¶ → L /\$6^L SULRU^L WR^L KDYH^L DQ\ L TXHWFALRQV^L UHJDUGLQJ^L WKLV^L CHWHU^L SCHDVH^L GR^L CRW^L KHMWDWHL WR^L FRQNDFW^L XA\ L

6LQFHUHO\ ☰ ⊥ L

Anthony R. Bone

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7RQ\ L %URZQ^L

3URMHWL ODQDJHU^L OLOLQJ^L

L

FF L L L L

'RXJODVL &DUH\ ☰ ⊥ /DKRQNDQ^L 5HJLRQDOL :DWHL^L 4XDOLW^L &RQWUROL %RDUG^L ± L YLD^L HOHFALRQFL 6FRWL^L)HUIXVRQ^L /DKRQNDQ^L 5HJLRQDOL :DWHL^L 4XDOLW^L &RQWUROL %RDUG^L ± L YLD^L HOHFALRQFL

1DWDQ^L %ORFN^L (VT\ ☰ ⊥ %3^L ± L YLD^L HOHFALRQFL

\$GDPL &RKHQ^L (VT\ ☰ ⊥ 'DYLVL *UDKOP^L L BKEEV^L //3^L ± L YLD^L HOHFALRQFL

ODUF^L 5\ L /RPEDUGL^L \$PHF^L)RWHL :KHOHUL (QYLURQPHQW^L L ,QIUDWUUXFWXUH^L ,QF\ L ± L

6DQG\ L 5LHM^L (Q6FL^L ,QF\ L ± L YLD^L HOHFALRQFL

%U\DQL 9HWUDQR^L %URDGEEHWL \$WRFLDWHL ,QF\ L ± L YLD^L HOHFALRQFL

'DYL^L OF&DJW\ ☰ ⊥ &RSSHU^L (QYLURQPHQWDO^L &RQWXOWLQ^L ,QF\ L ± L YLD^L HOHFALRQFL